

**IN THE UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

COBB COUNTY, GEORGIA,

Plaintiff,

v.

TYLER TECHNOLOGIES, INC.,

Defendant.

Case No. 1:24-cv-00045-LMM

AMENDED COMPLAINT

Plaintiff Cobb County, Georgia, by and through the undersigned counsel, files this Amended Complaint against Defendant Tyler Technologies, Inc. (“Tyler Technologies”).

PARTIES, JURISDICTION, AND VENUE

1. Cobb County is a political subdivision of the State of Georgia and is subject to the jurisdiction and venue of this Court.
2. Tyler Technologies is a corporation organized and existing under the laws of the state of Delaware.
3. Because Tyler Technologies has been properly served with process, this Court has personal jurisdiction over Tyler Technologies.

4. Venue is proper in this Court pursuant to 28 U.S.C. § 1441(a) because Tyler Technologies has sufficient contacts in the district and division of this Court.

FACTUAL BACKGROUND

5. On July 13, 2018, Cobb County issued a Request for Proposal for a configurable, “off-the-shelf” Business License Software System for the Cobb County Business License Division, including 180 functional requirements.
6. On September 13, 2018, in response to the Request for Proposal, Tyler Technologies submitted a proposal, which indicated it would satisfy 178 functional requirements.
7. On or about July 1, 2020, Cobb County entered into a License and Services Agreement with Tyler Technologies (“Contract”) to license “off-the-shelf” software products for its Business License Division (the “Product”). The total award, as amended, was three million, nine hundred twenty-three thousand, eight hundred and fifty-four dollars (\$3,923,854.00).
8. “Defect” is defined in the Contract as “a failure of Tyler Software to substantially conform to the functional descriptions set forth in [Tyler Technologies’] written proposal to [Cobb County] or their functional equivalent.” The Contract required Tyler Technologies to satisfy 178 functional requirements for the Business License Software System set forth in the Request for Proposals.

9. On or about June 16, 2021, the parties entered into an amendment (“Amendment”) to supplement the existing Contract with additional services and software.
10. Exhibit A of the Contract and Exhibit 1 of the Amendment to the Contract also required Tyler Technologies to provide Cobb County with specific software.
11. Per Section 1.3 of Exhibit E of the Contract, the Project Timeline for Phase 1 Business License (“BL”) was to be developed during Stage 1. The parties initially mutually agreed upon a Project Timeline in June 2021 and mutually agreed to a revised timeline in March 2022.
12. The six stages and the length of time that Tyler Technologies allotted to provide the deliverables necessary to complete each stage in the Phase 1 BL Project Timeline, agreed to by the Parties, was as follows: Stage 1 Initiate and Plan (51 days); Stage 2 Assess and Define (104 days); Stage 3 Build and Validate (207 days); Stage 4 Final Testing and Training (74 days); Stage 5 Production Cutover (20 days); and Stage 6 Phase/Project Closure (9 days). In all, Tyler Technologies allotted, and Cobb County agreed upon, 424 working days to complete the project between January 8, 2021, and September 15, 2022.

13. Cobb County and its personnel undertook extensive effort to inform Tyler Technologies about its existing programs and processes, with which Tyler Technologies' software would integrate.
14. Throughout 2021, Tyler Technologies replaced its staff, which resulted in significant delay and required Cobb County to re-educate Tyler Technologies about the County's programs and processes; thus violating Section C(5) of the Contract (by failing to comply with the terms of its Services Warranty on the Business License Project). Because of the delays caused by Cobb County's need to re-educate Tyler Technologies' staff, Tyler Technologies failed to perform services in a professional, workmanlike manner, consistent with industry standards and the Contract.
15. As of September 20, 2022, twenty-eight months after the Contract was executed, Tyler Technologies had failed to satisfy the vast majority of the functional requirements of the Contract despite Cobb County (i) regularly escalating issues to Tyler Technologies and (ii) stating that the software would not perform as Cobb County needed.
16. On that same date, Cobb County officially notified Tyler Technologies about the deficiencies and defects in Tyler Technologies' performance and software. Even

though no functional software had been installed or implemented, Cobb County had paid 50% of the Contract, which amounted to \$1,863,592.32.

17. Cobb County notified Tyler Technologies of the defects, and Tyler Technologies informed Cobb County its requested functions were not available. When escalating issues about software functionality required by the Contract, Cobb County was repeatedly told by Tyler Technologies that any customization would require additional time and money.

18. On November 7, 2022, Cobb County sent a Notice of Default to Tyler Technologies for unresolved defects because the software failed to satisfy functional requirements, including but not limited to: (1) penalties and interest; (2) license application and renewal; (3) partial payments; (4) payment hierarchy; (5) overpayments and refunds; (6) mailed renewals; (7) financial system interface; and (8) accuracy of business license history, all of which constitute Defects as defined in the Contract.

19. In the Notice of Default, Cobb County also notified Tyler Technologies of the following missing software: (1) Tyler Content Manager Enterprise Edition (TCM); (2) Socrata Citizen Connect; and (3) EnerGov Citizen Self Service. Further, Cobb County notified Tyler Technologies of the following missing essential integrations: (1) iasWorld; (2) MobileEyes; (3) CGI Financials; (4)

License Review Board; (5) Mavro and OnBase; and (6) Project View and BidExpress. Thus, Tyler Technologies failed to provide these products and services contained in Exhibit A of the Contract and Exhibit 1 of the Amendment on time or in a manner that provides basic functionality in accordance with the Agreement as amended and in accordance with the Tyler Technologies' written proposal.

20. Cobb County has availed itself of the Dispute Resolution requirement of Section I(3) of the Contract.

21. All conditions precedent to the bringing of this action have been satisfied, waived, or excused.

COUNT I – BREACH OF CONTRACT

22. Cobb County incorporates by reference, as if fully set forth herein, the allegations set forth in Paragraphs 5 through 21 of this Complaint.

23. As a result of Tyler Technologies' Defects, as defined in the Contract; delays caused by the inconsistency of its staff (violating Section C(5) of the Contract); failure to implement the Contract per the Project Timeline developed per Exhibit E, Section 1.3 as mutually agreed to in June 2021 and March 2022; and other failures, Tyler Technologies has materially breached the Contract.

24. Tyler Technologies' material breach of the Contract has caused Cobb County to incur damages in the amount of \$1,863,592.32, plus interest, attorney fees, and cost of litigation. Under O.C.G.A. § 13-6-11, Cobb County is entitled to recover its attorney fees.

WHEREFORE, Cobb County prays for relief as follows:

1. That a judgment on this Complaint be entered against Tyler Technologies;
2. That Cobb County recover all damages asserted herein and as may be demonstrated at trial, including pre-judgment and post-judgment interest thereon;
3. That Cobb County be awarded its attorney fees and cost of litigation in connection with this civil action; and
4. Any such other amounts and relief deemed appropriate by this Court.

This 30th day of January 2024.

Respectfully submitted,

/s/ David R. Cook

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CERTIFICATE OF SERVICE

I hereby certify that on January 30, 2024, I electronically filed COBB COUNTY'S AMENDED COMPLAINT with the Clerk of Court using the CM/ECF system, which will automatically send e-mail notification of such filing to the following attorneys of record:

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This 30th day of January 2024.

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